

# Presidential Documents

Title 3—

The President

Presidential Determination No. 92-47 of September 24, 1992

## Drawdown of Commodities and Services from the Inventory and Resources of the Department of Defense To Assist Peacekeeping Operations in Nagorno-Karabakh

### Memorandum for the Secretary of State [and] the Secretary of Defense

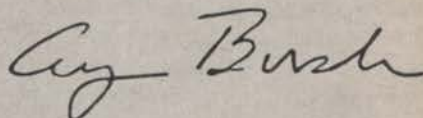
Pursuant to the authority vested in me by section 552(c)(2) of the Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2348a(c)(2) (the "Act"), I hereby determine that:

(1) as a result of an unforeseen emergency, the provision of assistance under Chapter 6 of Part II of the Act in amounts in excess of funds otherwise available for such assistance is important to the national interests of the United States; and

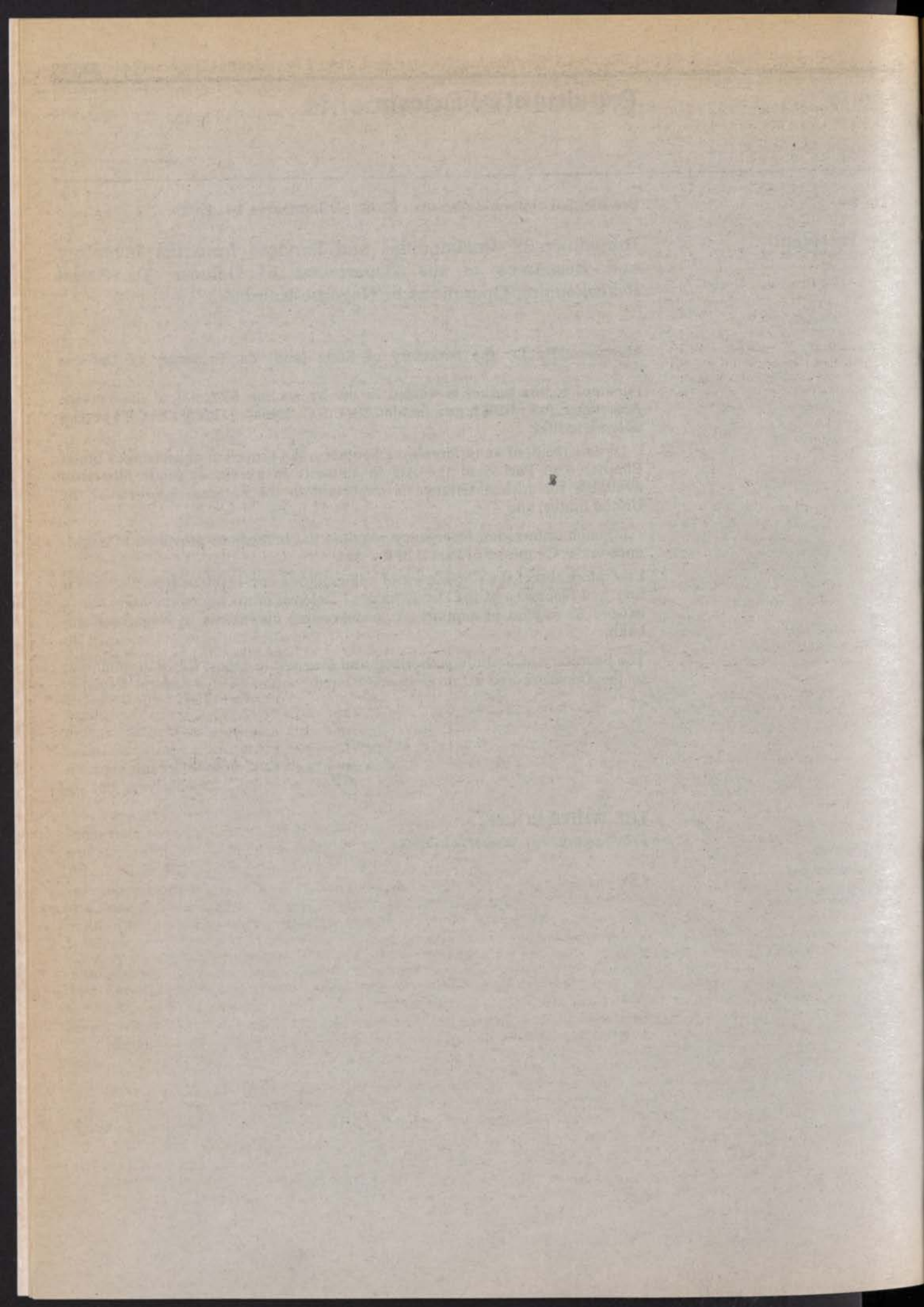
(2) such unforeseen emergency requires the immediate provision of assistance under Chapter 6 of Part II of the Act.

I therefore direct the drawdown of commodities and services from the inventory and resources of the Department of Defense of an aggregate value not to exceed \$2 million in support of peacekeeping operations in Nagorno-Karabakh.

The Secretary of State is authorized and directed to report this determination to the Congress and to arrange for its publication in the **Federal Register**.



THE WHITE HOUSE,  
Washington, September 24, 1992.





## Presidential Documents

**Proclamation 6501 of October 31, 1992**

### **World Population Awareness Week, 1992**

**By the President of the United States of America**

#### **A Proclamation**

In the post-Cold War world, one of the key issues that must be addressed is population growth and its impact on resources, environment, and development. Recognizing that population goals and policies should be part of more comprehensive efforts to improve the standards of living of all peoples, to promote social and economic development, human rights, and individual freedom, we focus this week on the links between economic development, environmental degradation, and demographic trends among the world's population.

As the G-7 leaders stated during the 1990 Houston Economic Summit, "sustainable development requires that population growth remain in some reasonable balance with expanding resources." Supporting the efforts of developing countries to maintain this balance is a priority.

As part of a comprehensive economic development assistance program, the United States continues to take a strong position in the global community to address, cooperatively and effectively, issues of poverty, illiteracy, population pressures, environmental degradation, and human health. Recognizing the sovereign right of each nation to respond to its specific needs, and respecting the fundamental rights and cultural and religious beliefs of parents, the United States supplies nearly half of all international assistance provided to support safe, effective, and voluntary family planning programs. In light of worldwide demand for such assistance, we now look to each nation to do its fair share in aiding voluntary population programs, not as ends in themselves, but as measures in support of sustainable development.

Massive urban migration poses a special challenge to the international community today, as urbanization leads to increased demands for infrastructure and services while exacerbating problems such as crime, inadequate health care and pollution. Ensuring environmental sustainability and slowing population growth where it threatens the economic progress that all of us seek are among the commitments that the United States has made together with other members of the international community.

Sustainability is impossible, however, without a healthy, well-educated population—hence the United States supports programs to improve maternal and child health; to expand education, skills training, and disease prevention; to integrate women more fully into the political and economic life of nations; and to target the specific health problems of the poor, which are often aggravated by conditions such as poor sanitation and lack of safe drinking water.

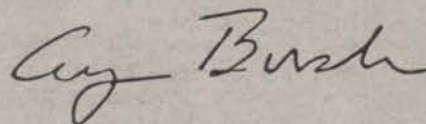
By promoting literacy and good health among individuals, by fostering the strength and stability of families, and by affirming the right of all human beings to live and work in freedom and security, we will continue to promote the health, stability, and progress of their communities and nations.



The Congress, by House Joint Resolution 458, has designated the week beginning October 25, 1992, as "World Population Awareness Week" and has requested the President to issue a proclamation in observance of this week.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, do hereby proclaim the week beginning October 25, 1992, as World Population Awareness Week. I invite all Americans to observe this week with appropriate programs and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of October, in the year of our Lord nineteen hundred and ninety-two, and of the Independence of the United States of America the two hundred and seven-teenth.



[FR Doc. 92-26955

Filed 11-2-92; 4:35 pm]

Billing code 3195-01-M



## Presidential Documents

Proclamation 6502 of November 1, 1992

### Hire a Veteran Week, 1992

By the President of the United States of America

#### A Proclamation

Less than 2 years ago, Americans watched proudly as our Nation's military personnel led the international effort to liberate Kuwait from brutal occupation by Iraqi forces under the command of Saddam Hussein. From the deployment of nearly half a million active-duty personnel and reservists to the precise aerial bombing and final ground assault against entrenched enemy forces, our Nation's service men and women demonstrated the tremendous courage, professionalism, and skill that we have come to expect of our United States Armed Forces. Now, as we prepare to celebrate Veterans Day, our annual tribute to all those who have served our country in uniform, it is fitting that we recognize the valuable knowledge, experience, and training that our soldiers, sailors, airmen, marines, and Coast Guardsmen have to offer when they reenter civilian life.

Through their outstanding achievements in the Persian Gulf region and elsewhere, America's veterans have helped to change the world. In the past few years, we have seen the collapse of the Berlin Wall, the disintegration of the Warsaw Pact, and the dissolution of the Soviet Union itself—each a resounding vindication of democratic ideals and a clear victory for the Americans who defended the cause of freedom around the globe.

Now that they have helped to change the world, America's veterans can play an important role in achieving continued prosperity and progress here at home. As we restructure our national defense forces in light of new international security requirements, we can ensure that the United States continues to benefit from the knowledge and expertise of its veterans by encouraging their full participation in the civilian work force.

Like every nation, the United States is challenged today by a global economic transition. Because Americans who have served in the military have the discipline, motivation, and skills—including the highly technical skills—that are essential to keeping American business and industry competitive, we do well to recognize the importance of recruiting and hiring veterans.

The Congress, by House Joint Resolution 542, has designated the week of November 8 through November 14, 1992, as "Hire a Veteran Week" and has requested the President to issue a proclamation in observance of this week.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, do hereby proclaim the week of November 8 through November 14, 1992, as Hire a Veteran Week. I encourage all Americans—in particular, employers, labor leaders, and public officials—to support the campaign to employ men and women who served our country in the Armed Forces.

IN WITNESS WHEREOF, I have hereunto set my hand this first day of November, in the year of our Lord nineteen hundred and ninety-two, and of the Independence of the United States of America the two hundred and seventeenth.

*George Bush*

[FR Doc. 92-26956

Filed 11-2-92; 4:36 pm]

Billing code 3195-01-M



# Rules and Regulations

Federal Register

Vol. 57, No. 214

Wednesday, November 4, 1992

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## OFFICE OF GOVERNMENT ETHICS

### 5 CFR Part 2635

RIN 3209-AA04

#### Standards of Ethical Conduct for Employees of the Executive Branch; Correction

AGENCY: Office of Government Ethics.

ACTION: Final rule correction; correction.

**SUMMARY:** This document contains one correction to the preamble of the correction document published on Tuesday, October 27, 1992 (57 FR 48557) to the final rule on Standards of Ethical Conduct for Employees of the Executive Branch (see 57 FR 35006-35067 (Aug. 7, 1992)). Due to a typing error, the "SUMMARY" section of that correction document referred to the Office of Government Ethics (OGE) rule on "executive agency ethics training programs" as the regulation being corrected (see 57 FR 11888-11891 (Apr. 7, 1992), as corrected at 57 FR 15219 (Apr. 27, 1992)). In fact, as correctly identified in the heading and amendatory language of the correction document, the OGE regulation on "Standards of Ethical Conduct for Employees of the Executive Branch" (the Standards) was being corrected. This further correction document is being issued to clarify that the Standards regulation was the subject of the correction of October 27, 1992.

EFFECTIVE DATE: October 27, 1992.

**FOR FURTHER INFORMATION CONTACT:** William E. Gressman, Office of Government Ethics, Suite 500, 1201 New York Avenue, NW., Washington, DC 20005-3917, telephone/FTS (202) 523-5757, FAX (202) 523-6325.

Approved: October 28, 1992.

Stephen D. Potts,  
Director, Office of Government Ethics.

Accordingly, the Office of Government Ethics is correcting the

October 27, 1992 publication of the correction to the final rule on Standards of Ethical Conduct for Employees of the Executive Branch, which correction was the subject of FR Doc. 92-25875, as follows:

1. On page 48557 of the preamble, in the first column, in the fourth and fifth lines of the "SUMMARY" section, the words "executive agency ethics training programs" are corrected to read "Standards of Ethical Conduct for Employees of the Executive Branch".

[FR Doc. 92-26683 Filed 11-3-92; 8:45 am]

BILLING CODE 6345-01-M

## DEPARTMENT OF AGRICULTURE

### Federal Crop Insurance Corporation

#### 7 CFR Part 425

[Doc. No. 0111S]

#### Peanut Crop Insurance Regulations

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Final rule.

**SUMMARY:** The Federal Crop Insurance Corporation (FCIC) hereby revises and reissues the Peanut Crop Insurance Regulations (7 CFR part 425), effective for the 1993 and succeeding crop years by: (1) Eliminating the contract price election agreement option for additional peanuts; (2) eliminating the reduced production guarantee for unharvested acreage; (3) providing for replanting payments based on actual cost of replanting up to a maximum dollar amount of \$80.00 per acre for both quota and additional acreage; and (4) establishing the high non-quota price election as the basis for quality adjusting Segregation II and Segregation III additional (non-quota) peanuts. The intended effect of this rule is to make the replant payment equitable for quota and additional acreage, remove the per acre production guarantee reduction, and preserve the integrity of the peanut program with respect to unnecessarily excessive indemnity payments.

EFFECTIVE DATE: December 4, 1992.

**FOR FURTHER INFORMATION CONTACT:** Peter F. Cole, Secretary, Federal Crop Insurance Corporation, U.S. Department of Agriculture, Washington, DC 20250, telephone (202) 254-8314.

**SUPPLEMENTARY INFORMATION:** This action has been reviewed under USDA procedures established by Departmental Regulation 1512-1. This action constitutes a review as to the need, currency, clarity, and effectiveness of these regulations under those procedures. The sunset review date established for these regulations is February 1, 1997.

James E. Cason, Manager, FCIC, has determined that this action is not a major rule as defined by Executive Order 12291 because it will not result in:

- (a) An annual effect on the economy of \$100 million or more;
- (b) Major increases in costs or prices for consumers, individual industries, federal, State, or local governments, or a geographical region; or
- (c) Significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises in domestic or export markets.

James E. Cason also certifies that this action will not increase the federal paperwork burden for individuals, small businesses, and other persons. The action will not have a significant economic impact on a substantial number of small entities, or the farmers served by this totally voluntary crop insurance program, because this action does not require significant improvements to the farm. This action imposes no additional burden on the insured farmer, does not require participation in the program, or increase what is currently paid to gain insurance protection.

Further, this section requires nothing from the insured company under an agreement or contract with FCIC beyond what is normal to conduct business. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act and no Regulatory Flexibility Analysis was prepared.

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

This program is not subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.



This action is not expected to have any significant impact on the quality of the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

The Manager, FCIC, has certified to the Office of Management and Budget (OMB) that these final regulations meet the applicable standards provided in section 2(a) and 2(b)(2) of Executive Order 12778.

On Wednesday, February 6, 1991, FCIC published a notice of proposed rulemaking in the *Federal Register* at 56 FR 4738, to revise and reissue the Peanut Crop Insurance Regulations (7 CFR part 425) to:

- (1) Change the procedure for quality adjustment for non-quota (additional) Seg II and Seg III peanuts NOT ELIGIBLE for transfer as quota peanuts;
- (2) Change the procedure for quality adjustment for Seg II and III peanuts ELIGIBLE for transfer as quota peanuts;
- (3) Change procedure for quality adjustment for mature peanut production;
- (4) Remove language applying to unharvested acreage production guarantee reduction;
- (5) Extend the premium discount through 1992;
- (6) Increase acreage qualifications for a replant payment from 10 acres or 10 percent to 20 acres or 20 percent;
- (7) Provide that peanuts damaged due to insurable causes must have a value per pound of less than 90 percent of the average price support price per pound to be considered eligible for quality adjustment.
- (8) Remove the "excess appraisal" language in 9.f.(4)(c), previously used for acreage having an unharvested guarantee;
- (9) Provide language to specify minimum acreage, or percentage of acreage, necessary to qualify for a replant payment consistent with the replant payment requirements for other crops (20 acres or 20 percent);
- (10) Add definitions for "Average price per pound" and "Average price support per pound" to clarify the meaning of these terms;
- (11) Redefine the meaning of "harvest" to eliminate the requirement to dig at least 250 pounds or 20 percent of production guarantee to qualify for the harvested production guarantee, redesignate subsections (g), (h), (i), (j), and (k), as (i), (j), (k), (l), and (m), and add definition for "Replant payment"; and
- (12) Redefine "value per pound" to clarify the term with respect to Segregation II and III peanuts.

FCIC solicited public comment on the proposed rule for 30 days following its publication. On Monday, March 18, 1991, FCIC published a notice in the *Federal Register* at 56 FR 11375 to extend the comment period from the original expiration date of March 8, 1991, to April 17, 1991.

FCIC published an additional notice of proposed rulemaking in the *Federal Register* on Tuesday, November 19, 1991, at 56 FR 58323. In the notice, FCIC rescinded its proposal to eliminate quality adjustments with a value of 90 percent or more of the applicable average quota support price per pound and stated that it believed that adjustment for quality on a unit basis would be more equitable. FCIC solicited public comment for 30 days but none were received.

A total of 38 responses were received from representatives of the peanut industry, peanut producers, and the insurance industry. The responses were largely directed toward the proposals to:

- (1) Revise the replant qualifying requirement from 10 acres and 10 percent to 20 acres and 20 percent;
- (2) Establishing the Quota Support Price as the price to be used for quality adjusting Segregation II and Segregation III (non-quota) additional peanuts eligible for disaster transfer; and
- (3) Establishing 90 percent of the average quota support price as the level above which no quality adjustment would be allowed.

Other than minor language and format changes in the proposed rule, seven principal issues were addressed by the respondents. These comments are addressed in this final rule, as follows:

1. *Comment:* Elimination of the contract price election agreement option for (non-quota) additional peanuts.

Two respondents from the peanut industry disagreed with the proposal and two from the insurance industry agreed.

*FCIC Response:* FCIC offers crop insurance coverage on peanuts based on a contract price election agreement option for non-quota (additional) peanuts which must be executed before the peanuts are planted. Many growers have complained that FCIC requires the policyholder to have an executed contract too early. The Agricultural Stabilization and Conservation Service (ASCS) contract dates were July 31 for the 1990 crop year, and were even later for the 1991 crop year.

The insured growers argue that because FCIC requires the contract so early, they are unable to obtain the highest price. There also appears to be confusion on an average contract price because Virginia peanuts, Runner

peanuts, and Spanish peanuts will be contracted at different prices.

FCIC agrees with the concept that the contract price election agreement is unnecessary. In view of the potential for inequity, FCIC has eliminated the contract price election agreement from the policy. This action is designed to simplify the program and eliminate confusion.

2. *Comment:* Eliminate the reduction in guarantee for peanuts when acreage is not harvested.

Two respondents from the insurance industry submitted comments; one for and one against the proposal.

*FCIC Response:* The current peanut policy provides that the production guarantee per acre will be reduced by the lesser of 250 pounds or 20 percent for any unharvested acreage. This has resulted in grower confusion and dissatisfaction. FCIC proposed that the provision for reduced production guarantee for unharvested acreage be removed, thus simplifying the program. Any potential production in unharvested acreage will be appraised and the production charged against the guarantee. FCIC has removed this provision in the final rule.

*Comment:* Provide a fixed dollar amount replant payment.

Two respondents from the insurance industry agreed with FCIC's proposal.

*FCIC Response:* The current policy provides for a replanting payment in the amount of actual cost per acre up to the lesser of 250 pounds or 20 percent of the production guarantee, multiplied by the applicable price election. This has resulted in different replanting payments for quota and non-quota acreage even though the actual cost of replanting is the same for both. FCIC proposed to change the replant payment method of calculation to a fixed dollar amount (the actual cost per acre but not to exceed \$80.00 per acre). FCIC believes that this method will provide equal treatment for replanting on both quota and non-quota peanuts and has changed the policy to implement this provision.

4. *Comment:* Revise the acreage requirement to qualify for replant payments from 10 acres or 10 percent to 20 acres or 20 percent.

One grower and two insurance company respondents disagreed with this proposal.

*FCIC Response:* Possible inequities were noted in comments relating to small unit size in some areas and the unequal cost relationship between peanuts and other row crops. The commenters believed that insureds in these situations would be adversely impacted by the 20 acre or 20 percent



requirement. Because of the unequal cost relationships between peanuts and other row crops, and in view of the potential adverse impact on small unit peanut crops, FCIC has determined not to increase the requirements of this provision. The minimum acreage replant requirement will remain at 10 acres or 10 percent.

5. *Comment:* Change the basis for quality adjustment for Segregation II and Segregation III Non-quota (Additional) peanuts to use the high non-quota price election in place of the applicable support price. One grower and two insurance companies disagreed with FCIC's proposal on the basis that it might be perceived as a relationship between price election and loss of quality and may adversely affect participation in the program.

*FCIC's Response:* FCIC believes that, perceptions of the commenters notwithstanding, using the high non-quota price election in place of the applicable price support will reduce indemnities involving Segregation II and Segregation III peanuts. Loss value will be more accurately reflected, providing insureds a more fair and equitable return.

6. *Comment:* Change the basis for quality adjustment for Segregation II and Segregation III peanuts eligible for quota transfer.

This proposal generated disagreement from 25 growers, 6 peanut industry, and 3 insurance company respondents. Producers who have quota pounds of peanuts left on the farm have the option of transferring the peanuts to the Disaster Pool and receiving the quota support less \$25.00 per ton for the peanuts. These peanuts would be considered quota peanuts. This proposal would have allowed FCIC to use the per load graded quota support price less \$25.00 per ton as the value per pound for determining quality adjustment on any Seg II and III peanuts eligible for Disaster Transfer as quota peanuts. This procedure would not require the producer to transfer the Seg II and III peanuts to a Disaster Quota pool, but would use this value in adjusting quality if the peanuts were eligible for quota transfer.

*FCIC Response:* FCIC will not implement the proposed change. Given the strong opposition to the proposal, FCIC re-examined the concept and found it to be inconsistent with the insurance product. Insurance protection is offered at the quota support price and a premium rate is charged commensurate with the risks assumed by the insurer. The proposal would shift financial responsibility for indemnifying peanut losses to the ASCS, while the

insurer retained premiums. This result would be inappropriate. FCIC has determined that ASCS and crop insurers provide similar guarantees for peanut producers, both of which involve substantial subsidies. FCIC has pursued discussion with ASCS to evaluate the adoption of a mechanism to count indemnified peanuts against quota allotments in a manner consistent with ASCS practices. This approach, if adopted, will ensure peanut producers an opportunity to receive subsidized price guarantees for quota peanuts, but will prevent producers from receiving this benefit twice (once through insurance indemnities and then subsequently through the use of retained quota).

7. *Comment:* Eliminate quality adjustment on peanuts with a value of 90 percent or more of the applicable average quota support price per pound.

One grower, one peanut industry, and three insurance industry commenters disagreed with FCIC's proposal to eliminate quality adjustments for peanuts with values less than applicable average quota support price.

*FCIC Response:* FCIC will not implement this change because it has determined it would drastically alter a longstanding method of adjustment creating dissatisfaction among insureds and, while possibly providing a reduction in administrative costs of the program with fewer quality determinations, would do so with relatively few benefits for FCIC at the expense of the insured.

Further evaluation of the additional proposal, contained in the November 19, 1991, publication, indicates that the proposal would generate additional workload with minimal changes in financial results for the program. Therefore, FCIC will retain its current procedure of determining quality adjustments on a per load basis.

Finally, FCIC has determined to add one additional definition to the Peanut Crop Insurance regulations for clarification purposes. The term "written agreement," as used in these and other regulations issued by FCIC, has not been properly defined. FCIC allows minor variations from the terms and conditions of some of its policies for insurance by mutual agreement between the FCIC and the insured. This is accomplished by a written agreement or form executed between both parties and is provided for in the policy. This non-substantive additional definition, while not contained in the proposed rule, is thought to be of sufficient importance to be set out in these regulations.

## List of Subjects in 7 CFR Part 425

Crop Insurance; Peanuts.

### Final Rule

Accordingly, pursuant to the authority contained in the Federal Crop Insurance Act, as amended (7 U.S.C. 1501 et seq.), the Federal Crop Insurance Corporation hereby revises and reissues the Peanut Crop Insurance Regulations (7 CFR part 425), effective for the 1993 and succeeding crop years, to read as follows:

## PART 425—PEANUT CROP INSURANCE REGULATIONS

### Subpart—Regulations for the 1993 and Succeeding Crop Years

#### Sec.

- 425.1 Availability of Peanut Crop Insurance
- 425.2 Premium Rates, Production Guarantees, Coverage Levels, and Prices at Which Indemnities Will be Computed
- 425.3 OMB Control Numbers
- 425.4 Creditors
- 425.5 Good Faith Reliance on Misrepresentation
- 425.6 The Contract
- 425.7 The Application and Policy

Authority: 7 U.S.C. 1506, 1518.

#### § 425.1 Availability of peanut crop insurance.

Insurance shall be offered under the provisions of this subpart on peanuts in counties within the limits prescribed by and in accordance with the provisions of the Federal Crop Insurance Act, as amended. The counties shall be designated by the Manager of the Corporation from those approved by the Board of Directors of the Corporation.

#### § 425.2 Premium rates, production guarantees, coverage levels, and prices at which indemnities will be computed.

(a) The Manager will establish premium rates, production guarantees, coverage levels, and prices at which indemnities will be computed for peanuts which will be shown on the actuarial table on file in applicable service offices and which may be changed from year to year.

(b) At the time the application for insurance is made, the applicant will elect a coverage level and price at which indemnities will be computed from among those levels and prices contained in the actuarial table for the crop year.

#### § 425.3 OMB control numbers.

Office of Management and Budget (OMB) control numbers are contained in subpart H to part 400 in title 7 CFR.

#### § 425.4 Creditors.

An interest of a person in an insured crop existing by virtue of a lien,



mortgage, garnishment, levy, execution, bankruptcy, involuntary transfer or other similar interest shall not entitle the holder of the interest to any benefit under the contract.

#### § 425.5 Good faith reliance on misrepresentation.

Notwithstanding any other provision of the peanut insurance contract, whenever:

(a) An insured person under a contract of crop insurance entered into under these regulations, as a result of a misrepresentation or other erroneous action or advice by an agent or employee of the Corporation:

(1) Is indebted to the Corporation for additional premiums, or

(2) Has suffered a loss to a crop which is not insured or for which the insured person is not entitled to an indemnity because of failure to comply with the terms of the insurance contract, but which the insured person believed to be insured, or believed the terms of the insurance contract to have been complied with or waived, and

(b) The Board of Directors of the Corporation, or the Manager in cases involving not more than \$100,000.00, finds that:

(1) An agent or employee of the Corporation did in fact make such misrepresentation or take other erroneous action or give erroneous advice;

(2) Said insured person relied thereon in good faith; and

(3) To require the payment of the additional premiums or to deny such insured's entitlement to the indemnity would not be fair and equitable, such insured person shall be granted relief the same as if otherwise entitled thereto. Application for relief under this section must be submitted to the Corporation in writing.

#### § 425.6 The contract.

The insurance contract shall become effective upon the acceptance by the Corporation of a duly executed application for insurance on a form prescribed by the Corporation. The contract will cover the peanut crop as provided in the policy. The contract shall consist of the application, the policy, and the county actuarial table. Any changes made in the contract shall not affect its continuity from year to year. The forms referred to in the contract are available at the applicable service offices.

#### § 425.7 The application and policy.

(a) Application for insurance on a form prescribed by the Corporation may be made by any person to cover such

person's share in the peanut crop as landlord, owner-operator, or tenant. The application shall be submitted to the Corporation at the service office on or before the applicable closing date on file in the service office.

(b) The Corporation may discontinue the acceptance of applications in any county upon its determination that the insurance risk is excessive, and also, for the same reason, may reject any individual application. The Manager of the Corporation is authorized in any crop year to extend the closing date for submitting applications in any county, by placing the extended date on file in the application service offices and publishing a notice in the **Federal Register** upon the Manager's determination that no adverse selectivity will result during the period of such extension. However, if adverse conditions should develop during such period, the Corporation will immediately discontinue the acceptance of applications.

(c) In accordance with the provisions governing changes in the contract contained in policies issued under FCIC regulations for the 1991 and succeeding crop years, a contract in the form provided for in this subpart will come into effect as a continuation of a peanut contract issued under such prior regulations, without the filing of a new application.

(d) The application for the 1993 and succeeding crop years is found at subpart D of part 400—General Administrative Regulations (7 CFR 400.37, 400.38) and may be amended from time to time for subsequent crop years. The provisions of the Peanut Insurance Policy for the 1993 and succeeding crop years are as follows:

#### Department of Agriculture, Federal Crop Insurance Corporation, Peanut Crop Insurance Policy

(This is a continuous contract. Refer to Section 15.)

Agreement to Insure: We will provide the insurance described in this policy in return for the premium and your compliance with all applicable provisions.

Throughout this policy, "you" and "your" refer to the insured shown on the accepted Application and "we," "us" and "our" refer to the Federal Crop Insurance Corporation.

#### Terms and Conditions

##### 1. Causes of Loss

a. The insurance provided is against unavoidable loss of production resulting from any of the following causes occurring within the insurance period:

- (1) Adverse weather conditions;
- (2) Fire;
- (3) Insects;
- (4) Plant disease;
- (5) Wildlife;

(6) Earthquake;

(7) Volcanic eruption; or

(8) If applicable, failure of the irrigation water supply due to an unavoidable cause occurring after the beginning of planting;

unless those causes are excepted, excluded, or limited by the actuarial table or § 9.f(7).

b. We will not insure against any loss of production due to:

- (1) The neglect, mismanagement, or wrongdoing of you, any member of your household, your tenants or employees;
- (2) The failure to follow recognized good peanut farming practices;
- (3) Failure to market the peanuts unless such failure is due to actual physical damage from a cause specified in subsection 1.a;
- (4) The impoundment of water by any governmental, public or private dam or reservoir project; or
- (5) Any cause not specified in section 1.a as an insured loss.

##### 2. Crop, Acreage, and Share Insured

a. The crop insured will be peanuts planted for the purpose of digging, maturing, and marketing as farmers' stock peanuts, which are grown on insured acreage and for which a guarantee and premium rate are provided by the actuarial table.

b. The acreage insured for each crop year will be peanuts planted on insurable acreage as designated by the actuarial table and in which you have a share, as reported by you or as determined by us, whichever we elect.

c. The insured share will be your share as landlord, owner-operator, or tenant in the insured peanuts at the time of planting.

d. We do not insure any acreage:

- (1) Not planted to a type of peanuts designated as insurable by the actuarial table;
- (2) On which the peanuts were destroyed for the purpose of conforming with any other program administered by the United States Department of Agriculture;
- (3) If the farming practices carried out are not in accordance with the farming practices for which the premium rates have been established;
- (4) Which is irrigated and an irrigated practice is not provided for by the actuarial table unless you elect to insure the acreage as non-irrigated by reporting it as insurable under section 3;
- (5) Which is destroyed, it is practical to replant to peanuts, and such acreage is not replanted;
- (6) Initially planted after the final planting date contained in the actuarial table, unless you agree in writing on our form to coverage reduction; or
- (7) Planted for experimental purposes.

e. If insurance is provided for an irrigated practice:

- (1) You must report as irrigated only the acreage for which you have adequate facilities and water to carry out a good peanut irrigation practice at the time of planting; and



- (2) Any loss of production caused by failure to carry out a good peanut irrigation practice, except failure of the water supply from an unavoidable cause occurring after the beginning of planting, will be considered as due to an uninsured cause. The failure or breakdown of irrigation equipment or facilities will not be considered as a failure of the water supply from an unavoidable cause.
- f. We may limit the insured acreage to any acreage limitation established under any Act of Congress, if we advise you of the limit prior to planting.

### 3. Report of Acreage, Share, Pounding Quota, and Practice

You must report on our form:

- All the acreage of peanuts in the county in which you have a share;
- The practice;
- Your share at the time of planting; and
- The effective poundage marketing quota, if any, applicable to the unit for the current crop year as provided under ASCS Peanut Marketing Quota Regulations.

You must designate separately any acreage that is not insurable. You must report if you do not have a share in any peanuts planted in the county. This report must be submitted annually on or before the reporting date established by the actuarial table. All indemnities may be determined on the basis of information you have submitted on this report. If you do not submit this report by the reporting date, we may elect to determine by unit the insured acreage, share, and practice or we may deny liability on any unit. Any report submitted by you may be revised only upon our approval.

### 4. Production Guarantees, Coverage Levels, and Prices for Computing Indemnities

- The production guarantees, coverage levels, and prices for computing indemnities are in the actuarial table.
- Coverage level 2 will apply if you have not elected a coverage level.
- You may change the coverage level and price election on or before the closing date for submitting applications for the crop year as established by the actuarial table.

### 5. Annual Premium

- The annual premium is earned and payable at the time of planting. The amount of premium is computed by multiplying the production guarantee for the unit (insured acreage times the applicable production guarantee), which may consist of quota and non-quota (additional) peanuts, times the applicable price election, times the premium rate, times your share at the time of planting, times any applicable premium adjustment percentage for which the insured may qualify as shown on the actuarial table.
- Interest will accrue at the rate of one and one-quarter percent (1¼%) simple interest per calendar month, or any part thereof, on any unpaid premium balance starting on the first day of the month following the first premium billing date.

- If you are eligible for a premium reduction in excess of 5 percent based on your insuring experience through the 1983 crop year under the terms of the Experience Table contained in the peanut policy for the 1984 crop year, you will continue to receive the benefit of that reduction subject to the following conditions:

- No premium reduction will be retained after the 1993 crop year;
- The premium reduction will not increase because of favorable experience;
- The premium reduction will decrease because of unfavorable experience in accordance with the terms of the 1984 policy;
- Once the loss ratio exceeds .80 no further premium reduction will apply; and
- Participation must be continuous.

### 6. Deductions for Debt

Any unpaid amount due us may be deducted from any indemnity payable to you, or from a replanting payment if the billing date has passed on the date you are paid the replanting payment, or from any loan or payment due you under any Act of Congress or program administered by the United States Department of Agriculture or its Agencies.

### 7. Insurance Period

Insurance attaches when the peanuts are planted and ends at the earliest of:

- Total destruction of the peanuts;
- Threshing or removal from the field;
- Final adjustment of a loss; or
- The following dates immediately after planting:
  - Duval and La Salle Counties, Texas—November 30;
  - New Mexico, Oklahoma and all other Texas counties—December 31;
  - All other states—November 30.

### 8. Notice of Damage or Loss

- In case of damage or probable loss:
  - You must give us written notice if:
    - You want our consent to replant peanuts damaged due to any insured cause. (To qualify for a replanting payment, the acreage replanted must be at least the lesser of 10 acres or 10 percent of the insured acreage on the unit;)
    - During the period before threshing, the peanuts on any unit are damaged and you decide not to further care for or thresh any part of them;
    - You want our consent to put the acreage to another use; or
    - After consent to put acreage to another use is given, additional damage occurs.

Insured acreage may not be put to another use until we have appraised the peanuts and given written consent. We will not consent to another use until it is too late to replant. You must notify us when such acreage is replanted or put to another use.

- You must give us notice at least 15 days before the beginning of harvest if you anticipate a loss on any unit.

- If probable loss is later determined, immediate notice must be given. A representative sample of the unharvested peanuts (at least 10 feet wide and the entire length of the field) must remain unharvested for a period of 15 days from the date of notice, unless we give you written consent to harvest the sample.

- In addition to the notices required by this section, if you are going to claim an indemnity on any unit, we must be given notice not later than 30 days after the earliest of:

- Total destruction of the peanuts on the unit;
- The completion of harvest or otherwise disposing of the peanuts on the unit; or
- The calendar date for the end of the insurance period.

- You may not destroy or replant any of the peanuts on which a replanting payment will be claimed until we give consent.

- You must obtain written consent from us before you destroy any of the peanuts which are not to be harvested.

- We may reject any claim for indemnity if any of the requirements of this section or section 9 are not complied with.

### 9. Claim for Indemnity

- Any claim for indemnity on a unit must be submitted to us on our form not later than 60 days after the earliest of:

- Total destruction of the peanuts on the unit;
- Completion of harvest or otherwise disposing of the peanuts on the unit; or
- The calendar date for the end of the insurance period.

- We will not pay any indemnity unless you:

- Establish the total production of peanuts on the unit and that any loss of production has been directly caused by one or more of the insured causes during the insurance period; and
- Furnish all information we require concerning the loss.

- The indemnity will be determined on each unit by:

- Multiplying the insured acreage by the production guarantee;
- Subtracting therefrom the total production of peanuts to be counted (see section 9f);
- Multiplying this remainder applicable to quota and/or non-quota (additional) production by the applicable price election; and
- Multiplying this product by your share.

- If the information reported by you under section 3 of the policy results in a lower premium than the actual premium determined to be due, the production guarantee on the unit will be computed on the information reported and not on the actual information determined. All production from insurable acreage, whether or not reported as insurable, will count against the production guarantee.

- The total production to count will be identified as quota and/or non-quota (additional) production by:

- Counting all threshed and appraised production less than or equal to the unit's effective poundage quota as quota



production unless the peanuts grade Segregation II or III and their inclusion as quota peanuts is waived by the producer; and

- (2) Counting any threshed and appraised production in excess of the unit's effective poundage quota as non-quota (additional) production.
- f. The total production to be counted for a unit will include all threshed and appraised production.
  - (1) Threshed production will be the net weight in pounds shown on the United States Department of Agriculture "Inspection Certificate and Sales Memorandum".
  - (2) Mature peanut production which is damaged due to insurable causes will be adjusted by:
    - (i) Dividing the value per pound for the insured type of peanuts by the applicable average price per pound; FCIC will count production against the highest valued peanuts first (based on price election) and the lowest valued peanuts last. FCIC will use the maximum non-quota price election to quality to adjust segregation I and segregation II non-quota peanuts; and
    - (ii) Multiplying the result by the number of pounds of such production.
  - (3) To enable us to determine the net weight and quality of production of any peanuts for which a United States Department of Agriculture "Inspection Certificate and Sales Memorandum" has not been issued, we must be given the opportunity to have such peanuts inspected and graded before you dispose of them. If you dispose of any production without giving us the opportunity to have the peanuts inspected and graded, the gross weight of such production will be used in determining total production to count unless you submit a marketing record satisfactory to us which clearly shows the net weight and quality of such peanuts.
  - (4) Appraised production to be counted will include:
    - (i) Unharvested production on harvested acreage and potential production lost due to uninsured causes and failure to follow recognized good peanut farming practices;
    - (ii) Not less than the guarantee for any acreage which is abandoned or put to another use (other than harvest) without our prior written consent or damaged solely by an uninsured cause; and
    - (iii) Appraised production on all other unharvested acreage.
  - (5) Any appraisal we have made on insured acreage for which we have given written consent to be put to another use will be considered production unless such acreage is:
    - (i) Not put to another use before harvest of peanuts becomes general in the county;
    - (ii) Harvested; or
    - (iii) Further damaged by an insured cause before the acreage is put to another use.
  - (6) The amount of production of any unharvested peanuts may be determined on the basis of field appraisals

conducted after the end of the insurance period.

- (7) If you have elected to exclude hail and fire as insured causes of loss and the peanuts are damaged by hail or fire, appraisals will be made in accordance with Form FCI-78, "Request to Exclude Hail and Fire".
- (8) The commingled production of units will be allocated to such units in proportion to our liability on the harvested acreage of each unit.
- g. A replanting payment may be made on any insured peanuts replanted after we have given consent and the acreage replanted is at least the lesser of 10 acres or 10 percent of the insured acreage for the unit.
  - (1) No replanting payment will be made on acreage:
    - (i) On which our appraisal exceeds 90 percent of the guarantee;
    - (ii) Initially planted prior to the date we determine reasonable; or
    - (iii) On which a replanting payment has been made during the current crop year.
  - (2) The replanting payment per acre will be your actual cost per acre for replanting but will not exceed \$80.00 per acre, multiplied by your share.

If the information reported by you results in a lower premium than the actual premium determined to be due, the replanting payment will be reduced proportionately.
- h. You must not abandon any acreage to us.
- i. You may not bring suit or action against us unless you have complied with all policy provisions. If a claim is denied, you may sue us in the United States District Court under the provisions of 7 U.S.C. 1508(c). You must bring suit within 12 months of the date notice of denial is mailed to and received by you.
- j. We will pay the loss within 30 days after we reach agreement with you on entry of a final judgment. In no instance will we be liable for interest or damages in connection with any claim for indemnity, whether we approve or disapprove such claim.
- k. If you die, disappear, or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved after the peanuts are planted for any crop year, any indemnity will be paid to the person(s) we determine to be beneficially entitled thereto.
- l. If you have other fire insurance, fire damage occurs during the insurance period, and you have not elected to exclude fire insurance from this policy, we will be liable for loss due to fire only for the smaller of:
  - (1) The amount of indemnity determined pursuant to this contract without regard to any other insurance; or
  - (2) The amount by which the loss from fire exceeds the indemnity paid or payable under such other insurance.

For the purposes of this section, the amount of loss from fire will be the difference

between the fair market value of the production on the unit before the fire and after the fire.

#### 10. Concealment or Fraud

We may void the contract on all crops insured without affecting your liability for premiums or waiving any right, including the right to collect any amount due us if, at any time, you have concealed or misrepresented any material fact or committed any fraud relating to the contract, and such voidance will be effective as of the beginning of the crop year with respect to which such act or omission occurred.

#### 11. Transfer of Right to Indemnity on Insured Share

If you transfer any part of your share during the crop year, you may transfer your right to an indemnity. The transfer must be on our form and approved by us. We may collect the premium from either you or your transferee or both. The transferee will have all rights and responsibilities under the contract.

#### 12. Assignment of Indemnity

You may assign to another party your right to an indemnity for the crop year, only on our form and with our approval. The assignee will have the right to submit the loss notices and forms required by the contract.

#### 13. Subrogation (Recovery of Loss From a Third Party)

Because you may be able to recover all or a part of your loss from someone other than us, you must do all you can to preserve any such rights. If we pay you for your loss then your right of recovery will at our option belong to us. If we recover more than we paid you plus our expenses, the excess will be paid to you.

#### 14. Records and Access to Farm

You must keep, for two years after the time of loss, records of the harvesting, storage, shipment, sale or other disposition of all peanuts produced on each unit including separate records showing the same information for production from any uninsured acreage. Any persons designated by us will have access to such records and the farm for purposes related to the contract.

#### 15. Life of Contract: Cancellation and Termination

- a. This contract will be in effect for the crop year specified on the application and may not be canceled by you for such crop year. Thereafter, the contract will continue in force for each succeeding crop year unless canceled or terminated as provided in this section.
- b. This contract may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date preceding such crop year.



c. This contract will be canceled if you do not furnish satisfactory records of the previous year's production to us on or before the cancellation date. If the insured, prior to the cancellation date, shows, to our satisfaction, that records are unavailable due to conditions beyond the insured's control, such as fire, flood or other natural disaster, the Field Actuarial Office may assign a yield for that year. The assigned yield will not exceed the ten-year average.

d. This contract will terminate as to any crop year if any amount due us on this or any other contract with you is not paid on or before the termination date preceding such crop year for the contract on which the amount is due. The date of payment of the amount due:

- (1) If deducted from an indemnity will be the date you sign the claim; or
- (2) If deducted from payment under another program administered by the United States Department of Agriculture will be the date both such other payment and set off are approved.

e. The cancellation and termination dates are:

State and county	Cancellation and termination dates
Dual and La Salle Counties, Texas; New Mexico; Oklahoma; Brown, Baylor, Callahan, Collingsworth, Comanche, Dallam, Eastland, Erath, Gaines, Garza, Hood, Jones, Montague, Motley, Palo Pinto, Parker, Somervell and Stonewall Counties, Texas and Virginia.	February 15, April 15.
All other Texas counties and all other states.	March 31.

f. If you die or are judicially declared incompetent, or if you are an entity other than an individual and such entity is dissolved, the contract will terminate as of the date of death, judicial declaration, or dissolution. If such event occurs after insurance attaches for any crop year, the contract will continue in force through the crop year and terminate at the end thereof. Death of a partner in a partnership will dissolve the partnership unless the partnership agreement provides otherwise. If two or more persons having a joint interest are insured jointly, death of one of the persons will dissolve the joint entity.

g. The contract will terminate if no premium is earned for three consecutive years.

#### 18. Contract Changes

We may change any of the terms and provisions of the contract from year to year. If your price election at which indemnities are computed is no longer offered, the actuarial table will provide the price election which you are deemed to have elected. All contract changes will be available at your service office by December 31 preceding the cancellation date for counties with a April 15 cancellation date and by November 30 preceding the cancellation date for all other

counties. Acceptance of any changes will be conclusively presumed in the absence of any notice from you to cancel the contract.

#### 17. Meaning of Terms

For the purposes of peanut crop insurance:

a. **Actuarial table**—The forms and related material for the crop year approved by us which are available for public inspection in your service office, and which show the production guarantees, coverage levels, premium rates, prices for computing indemnities, practices, insurable and uninsurable acreage, and related information regarding peanut insurance in the county.

b. **ASCS**—The Agricultural Stabilization and Conservation Service of the United States Department of Agriculture.

c. **Average price per pound**—

- (1) The average Community Credit Corporation (CCC) price support per pound, by type, for Segregation I, Segregation II and III peanuts eligible to be valued as quota peanuts; or
- (2) The highest non-quota price election provided by us for all CCC non-quota (additional) Segregation II and III peanuts.

d. **Average price support per pound**—The average price support level per pound by type for quota peanuts as announced by the United States Department of Agriculture under the peanut price support program.

e. **County**—The county shown on the application and:

- (1) Any additional land located in a local producing area bordering on the county, as shown by the actuarial table; and
- (2) Any land identified by an ASCS farm serial number for the county but physically located in another county.

f. **Crop year**—The period within which the peanuts are normally grown and will be designated by the calendar year in which the peanuts are normally harvested.

g. **Effective poundage marketing quota**—The farm marketing quota as established and recorded by ASCS.

h. **Harvest**—The completion of combining or threshing of peanuts.

i. **Insurable acreage**—The land classified as insurable by us and shown as such by the actuarial table.

j. **Insured**—The person who submitted the application accepted by us.

k. **Loss ratio**—The ratio of indemnity to premium.

l. **Person**—An individual, partnership, association, corporation, estate, trust, or other business enterprise or legal entity, and wherever applicable, a State, a political subdivision of a State, or any agency thereof.

m. **Replanting**—Performing the cultural practices necessary to replant insured acreage to the same crop.

n. **Replant payment**—That payment made to the insured in accordance with the provisions of section 8 of this policy which is subject to offset for premium owed.

o. **Service office**—The office servicing your contract as shown on the application for insurance or such other approved office as may be selected by you or designated by us.

p. **Tenant**—A person who rents land from another person for a share of the peanuts or a share of the proceeds therefrom.

q. **Unit**—All insurable acreage of peanuts in the county in which you have an insured share on the date of planting for the crop year and which is identified by a single ASCS farm serial number at the time insurance first attaches under this policy for the crop year. Units will be determined when the acreage is reported. We may reject or modify any ASCS reconstitution for the purpose of unit definition if the reconstitution was in whole or part to defeat the purpose of the Federal Crop Insurance Program or to gain disproportionate advantage under this policy. Errors in reporting units may be corrected by us when adjusting a loss.

r. **Value per pound**—The "value per pound including loose shell kernels", as shown on the United States Department of Agriculture "Inspection Certificate and Sales Memorandum," except for Segregation II, III and non-quota (additional) peanuts for which the value per pound will be determined by us.

s. **Written agreement**—An agreement in writing between you and us which is in accordance with FCIC policy.

#### 18. Descriptive Headings

The descriptive headings of the various policy terms and conditions are formulated for convenience only and are not intended to affect the construction or meaning of any of the provisions of the contract.

#### 19. Determinations

All determinations required by the policy will be made by us. If you disagree with our determinations, you may obtain reconsideration of or appeal those determinations in accordance with Appeal Regulations.

#### 20. Notices

All notices required to be given by you must be in writing and received by your service office within the designated time unless otherwise provided by the notice requirement. Notices required to be given immediately may be by telephone or in person and confirmed in writing. Time of the notice will be determined by the time of our receipt of the written notice.

#### 21. Written Agreements

If provided for under the terms and conditions of the policy, written agreements between FCIC and the policyholder will be in accordance with the provisions of official procedures issued by FCIC.

Done in Washington, DC on September 1, 1992.

David L. Bracht,

Associate Manager, Federal Crop Insurance Corporation.

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